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# C♥nnnections

## **DISASTER LOAN APPLICATION DEADLINE FOR SMALL BUSINESSES HURT BY SEPTEMBER 11<sup>TH</sup> ATTACKS EXTENDED TO APRIL 22<sup>ND</sup>**

**WASHINGTON** – The U.S. Small Business Administration has extended the filing deadline for small business owners across the country to apply for Economic Injury Disaster Loans (EIDLs) to April 22, 2002.

The original deadline was January 21, 2002.

"With this deadline extension, more small business owners can get the help they need to get back on their feet," said SBA Administrator Hector V. Barreto. "America's economic well-being relies on the health of small business, and this program will contribute greatly to the economy's revival."

The SBA Administrator urged business owners to file their applications as soon as possible.

The EIDLs are available to eligible small businesses that suffered substantial economic injury as a direct result of the September terrorist attacks or a federal action taken as a result of the attacks. EIDLs provide eligible small businesses with the working capital needed to pay ordinary and necessary operating expenses that they would have been able to pay had the disaster not occurred. These expenses may include fixed debts, payroll, accounts payable, and other bills.

Small businesses may apply for a working capital loan of up to \$1.5 million. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The SBA determines the amount of economic

injury, the term of each loan and the payment amount, based on the financial circumstances of each borrower.

Businesses interested in applying for an economic injury disaster loan can contact one of the four SBA disaster area offices to obtain an application. Below are the phone numbers for the offices, and the states each office serves:

**Niagara Falls, NY** 14303  
1-800-659-2955

Serves: Connecticut, District of Columbia, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia and West Virginia

**Atlanta, GA** 30308  
1-800-359-2227

Serves: Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin

**Ft. Worth, TX** 76155  
1-800-366-6303

Serves: Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming

**Sacramento, CA** 95853-4795  
1-800-488-5323

Serves: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon and Washington

Since the expanded EIDL program began on October 22<sup>nd</sup>, the SBA has approved \$94 million in loans to small businesses nationwide. Since September 11<sup>th</sup>, the SBA has made \$233 million in loans in the disaster areas surrounding New York City and Virginia.

To find out more about the SBA's disaster assistance program, visit the web site at [www.sba.gov/disaster](http://www.sba.gov/disaster).

## PRO-NET - SBA'S TECHNICAL ASSISTANCE

By Jan Wolfe, SBA Indiana District Director



Small business owners who want to do business in the nearly \$200 billion per year federal contracting marketplace have a powerful tool to help them with the U.S. Small Business Administration's PRO-Net database.

The recently expanded Internet-accessed database allows direct e-mail notification from contracting officials to interested firms, an important link in the new federal procurement environment.

PRO-Net is an Internet-based database of information on nearly 200,000 small, disadvantaged, 8(a) and women-owned businesses. It is free to federal and state government agencies as well as prime and other contractors seeking small business contractors, subcontractors and/or partnership opportunities. PRO-Net is open to all small firms seeking federal, state and private contracts.

Primarily, purchasing officials and small businesses seeking federal, state and private contracts use it. It operates as a search engine for federal contracting officers, a marketing tool for small firms and a "link" to procurement opportunities and important information. It is designed to be a "virtual" one-stop procurement shop. Businesses profiled on the PRO-Net system can be searched by SIC

codes; key words; location; quality certifications; business type; ownership, race and gender; Electronic Data Interchange (EDI) capability, etc.

PRO-Net can be found on the SBA's Web site at <http://pro-net.sba.gov>.

Small businesses with an existing PRO-Net profile will be able to receive contracting opportunities via e-mail after filling out an electronic registration form. Links to these forms show up automatically after a company accesses and updates its individual PRO-Net profile.

One link gives the small business access to the Department of Defense's Central Contractor Registration (CCR). The other link places the small business into the

Companies with home pages can link their Web sites to their PRO-Net profile, creating a very powerful marketing tool.

Small business users will also find the system "friendly" when it comes to the search function. PRO-Net has been redesigned to permit "full text" searches. Previously, a user would have to enter an exact phrase to have the system identify a small business with the requested characteristics. Now, the system will generate a list based on the exact word, or any of its close derivatives, making the system much more useful.

Of the nearly 200,000 small, disadvantaged and women-owned businesses already listed on PRO-Net, the three largest concentrations of current PRO-Net registrants are

in business services, engineering and retailing. The three geographical areas most represented are the metropolitan areas surrounding Washington, DC, Los Angeles and Chicago.

The system can be used free of charge by small businesses looking to partner with other small companies to

handle the larger, more complex contracts. It also has a special section dedicated to subcontracting opportunities at

<http://web.sba.gov/subnet>.

As an electronic gateway, PRO-Net provides access and is linked to the *Commerce Business Daily* (CBD), agency home pages and other sources of procurement opportunities.

PRO-Net is available at the SBA web site, <http://www.sba.gov>, and is linked to key sources of information, assistance and training. To go directly to PRO-Net: <http://pro-net.sba.gov>.



General Services Administration's Electronic Posting System (EPS). The EPS system acts like an electronic post office and currently relays contracting notices from 20 federal agencies, with more to be added soon.

Businesses on the system are responsible for updating their profiles and keeping information current. Profiles are structured like executive business summaries, with specific data search fields that are user-friendly and designed to meet the needs of contracting officers and other potential users. They provide vendors an opportunity to put a controlled "marketing spin" on their businesses.

## SBA/CANADA WORKING RELATIONSHIP

By Cecilia Taylor

Canada is the United States' number one trading partner. Bilateral trade between the two countries accounts for about \$1 billion every day of the year. Canada and the U.S. have an almost equal share of women business owners – between 36 percent and 40 percent.

It is estimated that early in the 21<sup>st</sup> century, women will own fully half of all U.S. businesses. The 8.5 million women-owned firms employ 23.8 million Americans – one quarter of all workers. They contribute \$3.1 trillion in sales and revenues to the U.S. economy. But less than 2 percent of total American export sales are conducted by companies owned by women.

Canadian International Trade Minister Sergio Marchi and the U.S. Small Business Administration (SBA) organized a trade mission for 150 Canadian women small business owners to the U.S. in the fall of 1997.

The Canada/United States Businesswomen's Trade Summit 1999 was held in Toronto, Canada from May 17-21. SBA's staff recruited over 110 U.S. women small business owners to participate in the Summit. Five sectors were identified for the trade Summit: information technologies, healthcare and medical products, business and professional services, consumer products, and food products.

During the Toronto policy forum, participants discussed important cross-border issues with Canadian and U.S. policy-makers. Matchmaking of businesses took place, leading to a substantial number of trade actions and joint venture partnerships.

On May 18, 1999, Minister Marchi, the SBA and the Department of Commerce signed a Joint Summit Declaration, which called for:

- Enhancing involvement of women business owners in the development of business promotion policy for more women across our mutual border;
- Increasing and more efficient trade between our two nations;
- Expanding dialogue between Canadian and U.S. businesses to include businesswomen in other countries, such as Mexico; and
- Pursuit of joint trade promotion and trade facilitation activities, and sharing of best practices.

As a follow-up to the Businesswomen's Trade Summit, SBA conducted a special session at the Global Business Summit in October 1999 in Washington, DC. The summit was sponsored by the Business Women's Network, in Washington, DC. SBA arranged "NAFTA Business Matches" between the attendees of the summit from the U.S., Mexico and Canada. The agency also used the forum to collect information on issues relating to trade policies between the three NAFTA countries. Twenty-five women business owners attended the summit.

### What SBA is Doing:

- We are continuing to work the woman-owned small business "connection" between the United States and Canada.
- While SBA is not the lead federal agency on trade policy issues, we closely monitor trade issues that have an impact on bilateral small business trade. At the Canada/United States Businesswomen's Trade Summit in 1999, a number of bilateral trade issues were flagged by the business participants, including:

**CUSTOMS:** Standardization of the entry process between Canada and the

U.S. is needed. We need to train customs officials on both sides of the border to apply regulations in a consistent way at all entry points.

**BORDER CROSSING:** Establish a special Canada/US border arrangement (separate from US/Mexico border) where there is greater flexibility for temporary business entry of business samples and demonstration products. Right now, the process is "hit or miss" and there have been instances of lengthy delays at the border.

- Our goals on our efforts to fix the customs problems and on the state of bilateral trade between small businesswomen were reported on International Women's Day, March 8, 2000.

## Was your small business directly affected by the events of September 11<sup>th</sup>?

An SBA Economic Injury Disaster Loan with a 4% fixed interest rate might help.

*“The SBA was extremely responsive. They were really there. It was a surprising pleasure.”*

—Warren Kasztl, President  
Millennium Aero Parts  
Miami-Dade County, Fla.



1-800-ASK SBA [www.sba.gov](http://www.sba.gov)

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.



# News & Views

## What's New: Employer Identification Number

Beginning January 2, 2002, taxpayers were able to call a single toll-free telephone number (866) 816-2065 to get an Employer Identification Number (EIN). IRS customer service representatives in three IRS Service Centers will respond to taxpayers' calls Monday through Friday from 7:30 a.m. to 5:30 p.m. Taxpayers also can fax requests for an EIN 24 hours a day by dialing the fax number at the location accepting applications from your state. The instructions on the Form SS-4 indicate which location will accept your faxed request.

- Brookhaven, NY 631-447-4991
- Cincinnati, OH 859-669-5760
- Philadelphia, PA 215-516-3990

Taxpayers can also mail Form SS-4 to get an EIN. The instructions on the form provide the correct address.

### What's the benefit?

These improvements will streamline the process of getting an EIN.

- Taxpayers only have to call one toll-free phone or fax number.
- Practitioners won't have to file a Form 2848 (Power of Attorney) or Form 8821 (Tax Information Authorization) to get an EIN for their clients.

Get an EIN: call one toll-free number Monday through Friday, 7:30 a.m. to 5:30 p.m. or fax your request 24/7.

Taxpayers can mail Form SS-4 as well.

Third parties can get EINs for their clients without filing separate POA forms.

## SBA Trade Finance Programs

### Bank Your Export Deals

**Exports.** You can win big - but it takes money to play the game. Many small businesses invest the time and resources to develop export leads, only to discover they can't secure the credit necessary to close the sales. Now there is a program that both you and your banker can profit from. The SBA's Export Working Capital Program (EWCP) provides lenders with the comfort they need so small businesses can get the financing they require. The EWCP program encourages lenders to offer export working capital loans by guaranteeing repayment of up to \$1 million or 90 percent of a loan amount, whichever is less. You can finance a single export order or multiple sales under a revolving line of credit. For a single deal, the term of the loan is set to fit the transaction. The term for a revolving line is usually one year. The EWCP can help with all of your pre- and post-export financing needs. You can use the loan to: acquire inventory; pay manufacturing costs of goods for export; purchase goods for export; pay for costs associated with service contracts with foreign buyers; support standby letters of credit used for bid and performance bonds; and finance foreign accounts receivable.



## International Trade Loan Program (ITL)

For medium to long term working capital - up to 25 years.

This program helps small businesses that are engaged or preparing to engage in international trade, as well as small businesses adversely affected by competition from imports. SBA can guarantee up to \$1.25 million, to the borrower. Loans are made by lending institutions with the SBA guaranteeing a portion of the loan. The applicant must establish either that the loan proceeds will significantly expand existing export markets, or develop new export markets, or that the small business is adversely affected by import competition. Proceeds may be used for working capital and/or facilities or equipment.

Maturities of loans for facilities or equipment may extend to the 25-year maximum.

### SBA Export Express

For export loans up to \$150,000.

The new SBA Export *Express* loan program helps small businesses by allowing lenders to use streamlined and expedited loan review and approval procedures to process SBA guaranteed loans of up to \$150,000. Loan proceeds may be used for most business purposes, including: market development activity such as participation in a foreign trade mission; transaction-specific financing; general lines of credit for export purposes; and term loans for permanent working capital and fixed-asset financing.